Delaware Health and Social Services
MCAC Commission on Medicaid Cost/Health Care Containment
July 27, 2011 Meeting Minutes

Date: July 27, 2011 **Place:** Easter Seals – Kearns Center New Castle, DE **Time:** 9:00 a.m. – 11:00 a.m. **Presiding:** Richard Cherrin, Chair	**Members Present:** Bill Adami, Donna Barton (for Lori Ann Rhoads), Kris Bennett (for Herman Ellis), Judy Chaconas, Penny Chelucci, Richard Cherrin, Jim Lafferty, Brandi Niezgoda, Leonard Nitowski, MD, Ann Phillips, Olga Ramirez, Paula Roy, Lisa Schieffert, Yrene Waldron, Calvin Freedman, Kimberly Reinagel, Lori Christiansen **Members Absent:** Susan Ebner, Julia Pillsbury, D.O., Honorable John Mitchell, Honorable Dennis Williams, Honorable Harris McDowell **Guests:** Rhonda Combs **DMMA Staff Present:** Rosanne Mahaney, Anthony Brazen, D.O., Cindy Denemark, Glyne Williams, Greg Roane, Sheila Nutter, Becki Gallagher

TOPIC FOR DISCUSSION	DISCUSSION / ISSUE	ACTIONS	FOLLOW UP RESPONSIBILITY
Call to Order *Richard Cherrin*	The meeting was called to order at 9:09 a.m. by Chairman, Richard Cherrin.		
Introduction of New Members *Richard Cherrin*	Richard introduced the new members to the MCAC: Calvin Freedman, owner of Saveway Pharmacy and DUR Board member. Greg Roane, Rosanne's executive assistant. Kimberly Reinagel from OMB and Lori Christiansen, Sr. Legislative Analyst with the Controller General's Office.		
Review of the Purpose of the Committee *Rosanne Mahaney*	Rosanne reviewed the purpose of the Commission as outlined in Section 150 of the epilogue language. Section 151 established a Utilization Study Group (attach #1). Two senators and two representatives have been appointed to the Commission by the JFC. They were just named and include Representative Dennis Williams, Senator McDowell, Representative Mitchell and tentatively Senator Cloutier. ***Question**: How does the purpose of this Commission gel with the Delaware Health Care Commission's work, particularly as it applies to the various provisions of the Affordable Care Act (ACA)?* ***Answer**: It was decided that the work of these two Commissions' differ, but each needs to be aware of the recommendations of the other.* ***Question**: Are the recommendations of this Commission final?* ***Answer:** This Commission will make recommendations. The Administration and the General Assembly will make the final decisions.* ***Question:** Is the work of this Commission limited to Medicaid?*		

	Answer: *The budget epilogue language establishing this Commission is fairly broad and appears to go beyond Medicaid.*		
Overview of Medicaid *Rosanne Mahaney*	Rosanne reminded everyone that one of the reasons this Commission is here is because of the growth in Medicaid eligibles and the corresponding growth in Medicaid expenditures. She provided handouts showing these increases over the past several years (attach #2 & 3). In addition, Delaware, like all states, has been negatively impacted by the loss of the Medicaid enhance federal match that ended 6/30/2011. The result is that Medicaid is increasingly consuming a larger portion of the State's budget, leaving fewer funds available for other programs and services. The Centers for Medicare and Medicaid Services (CMS), which is the federal entity that oversees both Medicare and Medicaid, mandates that all Medicaid programs cover certain populations and certain services. They give states the flexibility to cover other services. The members reviewed the list of optional services that Delaware Medicaid has chosen to cover over the years (attach #4). ***Question:*** *Is one of the options Mental Health Services?* ***Answer:*** *Mental Health falls under a couple of different service categories: Clinic Services can include mental health clinics; Rehabilitative Services are used heavily by the Division of Substance Abuse and Mental Health (DSAMH) and the Division of Developmental Disabilities Services (DDDS) for community-based services. Institution of Mental Disease (IMD) services is another option of services which covers inpatient psychiatric care.* ***Question:*** *Are family planning services mandatory?* ***Answer:*** *Yes. It is felt that these preventive services avoid the need for higher cost services in the long run. In addition, they receive a 90% federal match, which makes them very inexpensive to cover.* The Commission requested data on Medicaid expenditures by services so that it may focus on the major cost drivers. Some noted that, despite the explosive growth of Medicaid eligibles, the costs have not gone up remarkably. This may be due in part to the provider rate freeze that has been in effect since 2009.	Medicaid expenditure data	Rosanne Mahaney

Overview of Medicaid (Cont'd) *Rosanne Mahaney*	Rosanne noted that, under the Affordable Care Act (ACA), as of January 1, 2014, Medicaid will expand to adults with income at or below 133% of the Federal Poverty Level (FPL). The Division of Medicaid & Medical Assistance (DMMA) anticipates that approximately 25,000 adults will come on to the Medicaid roles at that time. The federal government will pick up 100% of the cost of those new eligibles for the first couple of years and then the federal portion will eventually be reduced to 90%. Delaware currently cover adults up to 100% FPL and is only one of 13 states to do so. Delaware will also receive an enhanced federal match of 75% for these adults. The ACA requirement that all individuals obtain health care coverage may also impact Medicaid & CHIP given that not all individuals currently eligible for these programs access them. Such individuals are likely to apply for these programs in order to meet this new mandate. Some discussion revolved around some medical costs being driven by members' behaviors – smoking, substance abuse, poor eating and exercise habits that lead to obesity, etc. Rosanne pointed out that it is difficult under the Medicaid rules to hold clients accountable for such behaviors. Some members felt that the use of incentives may be needed. Further discussion revolved around how effective incentives were. Rosanne indicated that the Medicaid Managed Care Organizations (MCOs) utilize some incentives currently. The members would like to hear from them regarding the types and effectiveness of such incentives. Health and Medical Homes were mentioned and will be discussed in more depth at a future meeting. Discussion turned to people with mental health, the need to mainstream them back into the community and what the rate of readmission to psychiatric and acute care hospitals might be. Rosanne indicated that she would need to obtain that information from the MCO's or from the hospitals. She explained that several years ago, DMMA stopped covering regular acute care hospital readmissions that fell within 10 days of a discharge unless the hospital could show that a readmission was not a result of an inappropriate initial discharge.	Invite MCOs to next meeting	Rosanne Mahaney

Summary of Benefit Limits & Co-pays *Rosanne Mahaney*	The members reviewed the Benefit Limitations handout (attach #5). Many states have implemented various service limitations. There are federal prohibitions against limiting services to children under the Early and Periodic Screening, Diagnosis & Treatment (EPSDT) requirements. DMMA proposed limit non-urgent emergency room visits to 3 annually for adults in its 2012 budget. However, there is another workgroup whose purpose is to tackle this issue. The members asked that the Utilization Study Group report its findings to this Commission before the Commission submits its recommendations on December 15th. Discussion shifted to Cost Sharing Requirements (attach #6). DMMA proposed some co-payments in its 2012 budget that were not approved. DMMA also proposed targeted provider rate cuts. However, the continued provider rate freeze may make additional provider rate reductions difficult. In addition, the ACA mandates that all states increase their reimbursement to Primary Care Physicians (PCPs) to 100% of Medicare in January 2013. The members asked about Medicaid members' access to PCPs. Glyne Williams indicated that DMMA requires the MCOs to link their members to a PCP and that 98% of Medicaid members are linked to a PCP. Some members felt that the lack of transportation may hinder members' access to medical care. Rosanne explained that Medicaid covers non-emergency transportation to and from medical appointments through DMMA's transportation broker, LogistiCare. The members asked how cost containment strategies work given that the majority of Medicaid and CHIP clients are covered by the MCOs. Rosanne explained that DMMA negotiates rates with the MCOs annually and use an actuary to establish those rates per CMS requirement. The Actuary utilizes MCO service and expenditure data to develop the rates. As the MCOs are able to reduce their cost, DMMA is able to reduce their rates. Members discussed the value of electronic medical records in reducing duplicative tests and unnecessary medications. DMMA will provide the Commission with an update on its Electronic Health Records Incentive Fund	Provide overview of	Rosanne Mahaney

	program. These federal funds will begin to be rolled out to qualified providers in November of this year to assist them to purchase electronic health records systems. Cindy Denemark, DMMA Pharmacy Director, relayed that Medicaid provider E-prescribing usage is at about 33%. DMMA wants to increase physicians' use of the e-prescribing medication history capabilities. She noted that the members may see something in the news regarding CMS developing a new reimbursement methodology for pharmacies.	EHR Incentive Fund Program	
	DMMA will also provide the Commission with an overview of its Program Integrity strategies. For example, under the ACA, Medicaid programs are mandated to utilize a Recovery Audit Contractor (RAC) that Medicare has utilized for many years. DMMA released a request for proposal, received bids and is in the process of contracting with a RAC, which will review providers to assure appropriate payments have been made.	Provide Overview of Medicaid Program Integrity Efforts	Rosanne Mahaney
Update on DSHP+ *Rosanne Mahaney*	DMMA continues its work on rolling its long term care populations into its managed care service delivery as a way to enhance community based services. DMMA will be submitting an amendment to its 1115 Waiver to CMS to create the Diamond State Health Plan Plus program. The amendment will be published on the DMMA website at for public comment shortly. Program implementation is targeted for April 2012. DMMA is revising the MCO contracts to hold them accountable for the intensive needs of these populations. DMMA has also revised its quality management strategy to take into account these populations. Meetings with various stakeholders are being held throughout the state and webinars are being provided to assist in getting the word out about this new program.		
Next Meeting	Next meeting is Wednesday, August 31st at Easter Seals Kearns Center in New Castle.		
Adjournment	The meeting was adjourned at 10:55 a.m.		

Respectfully submitted,

Rebecca Gallagher

Recorder

Approved Date

Richard Cherrin, Chairman